

A growing economy needs more new coins

By Roger Boye

Uncle Sam expects to churn out about 18 billion new coins during fiscal 1989—the most since 1982's record total of 19.5 billion—to meet the needs of a growing economy.

"Our coin output should be up—perhaps significantly—this year, although projections could change as 1989 progresses," said Hamilton Dix, a spokesperson for the United States Mint.

If production forecasts hold, the government will make about 3.3 billion more coins this year than in fiscal 1988, a one-year increase of nearly 23 percent. The fiscal 1989 total would have a face value of about \$807 million.

Officials believe coin demand is influenced by the inflation rate and the sale of non-durable

goods, among other things, Dix said. Coin production declined between 1983 and 1986, a period of modest price inflation.

As in the past, Lincoln pennies are expected to account for at least three out of every four new coins made in 1989. During the last 10 years, Uncle Sam has produced nearly 120 billion Lincolns, or about 500 new cents for each U.S. citizen.

Such huge production totals have resulted in calls for the abolition of the lowly penny. A study funded by the government in the 1970s suggested that the Lincoln cent be eliminated because of the cost of making the coins and because so many people simply throw away their Lincolns.

Late last year a trade association recommended that the coin be discontinued, in part because

of the cost to retailers in handling the one-cent piece. However, many lawmakers contend that elimination of the cent would boost inflation as merchants rounded prices up to the nearest nickel.